

## People need food, health care, and stable housing to live, work, and thrive.

**Basic needs programs** like the Supplemental Nutrition Assistance Program (SNAP), Medicaid, rental assistance, and cash assistance **help people meet immediate needs** and have positive **long-term impacts**. Research shows that safe, quality housing; nutritious food; going to the doctor; and having cash helps workers **become economically secure** and children reach their potential.

These aren't just short-term patches. Basic needs programs are **fundamental building blocks** that help people succeed throughout life.

## BASIC NEEDS PROGRAMS SUPPORT...

### Improved health and mental health



**Improved self-reported health.** Supplemental Nutrition Assistance Program (SNAP) participants are more likely than low-income non-participants to describe their health as very good or excellent.

**Improved infant and maternal health.** The Earned Income Tax Credit (EITC) reduces the incidence of low birth weight and improves maternal health, including reduced mental stress.

**Reduced stress and anxiety.** Medicaid coverage provides more consistent primary and preventive care and reduces the rate of depression.

**Improved wellbeing.** Long-term housing subsidies improve health and reduce psychological distress and intimate partner violence.



### Better educational outcomes



**Increased achievement.** SNAP participation can improve elementary school children's reading and math skills and increase high school students' likelihood to graduate.<sup>1</sup>



**Higher likelihood of college enrollment.** Young children in families receiving cash through the EITC are more likely to go to college.<sup>2</sup>



**Increased completion.** Medicaid and Children's Health Insurance Program (CHIP) increase high school completion, college enrollment, and receipt of a four-year college degree.

### Increased employment and earnings



**Better chances of finding and keeping work.**

In Ohio, 75 percent of unemployed Medicaid enrollees say having health care made it easier to look for employment.

**Higher earnings.**

Children in poor families receiving income support (consisting of rental or other assistance) earn more as adults.<sup>3</sup>

# FACT SHEET CITATIONS

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# Paid Family and Medical Leave is Critical for Low-wage Workers and Their Families

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Policy solutions that work for low-income people

## Introduction

Paid family and medical leave is critical to reducing and preventing poverty and economic insecurity for families who experience illness or have caregiving responsibilities. The federal Family and Medical Leave Act of 1993 provides job-protected, unpaid leave for certain workers. While this Act is important, many workers — especially those with low incomes — can't afford to take leave without pay. In 2016, 40.6 million people in the U.S. lived in poverty compared to 29.3 million people in 1980. The growth in working-age adults living in poverty significantly contributed to this increase.<sup>1</sup> The lack of a national paid leave policy is further entrenching economic inequality.

- 93 percent of low-wage workers (in the bottom quarter of wage earners) have **zero** access to paid family leave.<sup>2</sup>
- 94 percent of part-time workers have **zero** access to paid family leave.<sup>3</sup>

## *Low-wage workers without paid leave disproportionately face:*

- **Loss of income:** Because far too many low-wage workers can't afford to take leave without pay, they either don't take leave, take less leave than they need, or lose wages and face dire consequences. Research proves that families who lose income while caring for a seriously ill child are more likely to suffer significant hardships, including food insecurity and delays getting medicine.<sup>4</sup>
- **Loss of job:** Approximately 40 percent of workers are excluded from the FMLA and have no job protection if they have to take unpaid leave.<sup>5</sup> Job loss is the "most common entry point into poverty."<sup>6</sup> One in 7 workers has lost a job to recover from illness or care for a family member.<sup>7</sup> It's worse for working mothers; in one survey, almost 1 in 5 moms reported losing a job due to sickness or caring for a sick child.<sup>8</sup> In 2015, 64 percent of mothers were primary or co-breadwinners. For those moms, the loss of a job from a family's medical situation can plunge them into economic turmoil.<sup>9</sup> □ **Difficult choices:**
  - Nearly a quarter of women take 10 or fewer days of parental leave.<sup>10</sup>
  - Approximately half of new mothers with less than a high school education left their jobs to bond with their new babies.<sup>11</sup>
- **Health consequences:** Low-wage workers and their families shouldn't suffer worse health outcomes. Paid leave provides necessary time for children and families to prevent and treat illnesses, spend critical time bonding, seek preventive care, and better maintain their mental health and overall wellbeing.<sup>12</sup>

## *Better support for workers and families will meaningfully help:*

- **People of color:** With people of color earning significantly less than white workers, lack of access to paid leave exacerbates this inequality. Only 43 percent of Black workers and just 25 percent of Latino workers have access to *any* paid parental leave.<sup>13</sup> And an estimated 65 percent of Black parents and 75 percent of Hispanic parents are either ineligible or unable to afford unpaid leave under FMLA.<sup>14</sup> Black and Hispanic women are more likely than white women to leave or lose their jobs after giving birth.<sup>15</sup>
- **Immigrant workers:** In California, a study found that immigrants were less likely to be aware of California's paid family leave program. That's especially significant because immigrants are already vulnerable to lost income in times of need and often lack other sources of income to replace lost wages and make ends meet.<sup>16</sup>
- **Working moms:** 42 percent of mothers are sole breadwinners who provide at least half the family's earnings. Nearly one-quarter of mothers are co-breadwinners. Historically, Black mothers have been more likely to work outside the home. They're the sole breadwinners in 70 percent of their families.<sup>17</sup>

- **Children:** When parents can't afford to take time off, infants may miss critical well-child visits for preventive care and immunizations.<sup>18</sup> Research suggests that a child's cognitive and social development may be enhanced when parents have paid leave.<sup>19</sup>

## *The many benefits of paid family and medical leave*

A national paid family and medical leave program would improve the health and earnings of millions of low-wage workers while also benefitting business owners.

- **Prevent wage loss:**
  - Many low-wage workers lose all income while on family or medical leave.<sup>20</sup> Research shows that paid family and medical leave can reduce racial disparities in wage loss as a percent of family income for Black and Hispanic families.<sup>21</sup>
- **Increased employee retention:**
  - Employers with paid leave programs benefit by attracting talent. This increases the likelihood of workers returning after their leave and creates a productive workplace with positive morale.<sup>22</sup> Offering real access to opportunity through family-sustaining jobs is good for the bottom line.
  - Women who take paid leave after a child's birth are more likely to stay employed 9 to 12 months after the child's birth than women who take no leave.<sup>23</sup>
- **Health benefits:**
  - Paid family leave can improve the health and wellbeing of sick family members and their caregivers.<sup>24</sup>
  - Children of workers who take longer leaves may experience lower mortality rates and higher birth weights. Children with special health care needs also see better outcomes.<sup>25</sup>
- **Support Bonding and Child Care:**
  - A recent U.S. Department of Health and Human Services study of low-income mothers found that paid family leave allowed them the necessary time to bond with their new child and arrange child care, which can often be a barrier for women returning to work.<sup>26</sup>

## *Developing policy to help workers in low-wage jobs*

Paid family and medical leave policy must:

1. Be available to all workers, regardless of sector or employer size and whether they work full or part-time or are self-employed.
2. Allow workers to take time to address serious family and medical needs as well as care for new children.
3. Offer sufficient replacement wages so that workers who are paid low wages can afford to take leave when they need it.
4. Include all families, whether through blood, marriage, or affinity.
5. Ensure leaves are long enough to meet individual and family care needs.
6. Be funded through a social insurance program rather than tax credits or individual employer requirements or mandates. A social insurance program will allow the risk to be pooled across a large group of workers, making it affordable, accessible, and efficient.
7. Include job protection and strong prohibitions against discrimination or retaliation.

# Endnotes

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